# GOVERNMENT OF INDIA
# COMMERCE AND INDUSTRY
# LOK SABHA

UNSTARRED QUESTION NO:1102
ANSWERED ON:23.11.2001
DISMANTLING OF TRADE BARRIERS
A.P. JITHENDER REDDY

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

(a) whether in accordance with the World Trade Organisation Treaty of 1994, a 10 year transition period was allowed to developing countries for dismantling all trade barriers in the textile sectors;

(b) if so, the details thereof; and

(c) the action taken by the Government to ensure that our export efforts do not prove to the futile before the expiry of the transition period?

## Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY ( SHRI RAJIV PRATAP RUDY )

( a ) to ( c ) : The provisions of the Agreement on Textiles and Clothing ( ATC ) mandate eventual integration into GATT of trade in the area of textiles and clothing by 2005, after which all restrictions under ATC would have been eliminated and the multilateral trading rules of GATT / WTO would be applicable.This integration is being carried out in four stages over the 10 year transition period. So far various countries have integrated into GATT 1994 textiles and clothing products, which accounted for not less than 33% of the total volume of the country`s 1990 imports of the products in this area. In accordance with the provisions of the ATC, WTO member countries have also notified their schedule for integrating a further 18% of the total volume of 1990 imports of the products in this area, to be effective from 1st January, 2002.

The Government has taken a number of steps to make the domestic industry competitive to face the growing global challenge. Some of the steps taken in this regard include de-reservation of woven segment of ready made garment from the SSI sector, operationalisation of Technology Up-gradation Fund Scheme ( TUFS), facility of accelerated depreciation for certain machinery covered under TUFS etc.Technology mission for cotton has been launched for initiating focused steps for enhancing production, productivity and quality of cotton for manufacture and export of competitive down stream textile products. Concessional custom duty has also been permitted in respect of certain textile machinery. The National Textile Policy 2000 has been announced to provide policy direction for orderly and sustained growth of the textile industry and to give thrust to textile exports.